# GOVERNMENT OF INDIA
# CIVIL AVIATION
# LOK SABHA

UNSTARRED QUESTION NO:382
ANSWERED ON:25.02.2016
Debt of Air India
Ahmed Shri Sultan

**Will the Minister of CIVIL AVIATION be pleased to state:**

(a) whether there is huge debt burden on Air India;

(b) if so, the details thereof and the steps taken by Air India to reduce its debt;

(c) whether Air India approached Ministry of Finance to extend term for raising tax free bonds;

(d) if so, the details thereof and the reasons therefor along with the response of the Ministry of Finance thereto; and

(e) the other steps taken by the Government in this regard?

## Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) & (b) Yes, Madam. Air India has a total Debt burden of Rs 51,367.07 crores as on 31 st March 2015. This amount includes Rs 22,574.09 crores outstanding on account of Aircraft Loans. The balance amount represents Long Term and Short Term Working Capital Loans. The Government has already approved the Turnaround Plan (TAP) and the Financial Restructuring Plan (FRP) of Air India Ltd in terms of which the Government is infusing equity into Air India. This Equity Infusion also includes the financial support towards the repayment of Principal as well as Interest on the Government Guaranteed Loans taken for the acquisition of aircraft by Air India Ltd. As per the TAP Government will infuse Rs 18929 crores for the repayment of the Government Guaranteed Loans/Interest till FY 2020-21.

(c) & (d) Yes, Madam. Air India had forwarded a proposal seeking issue of Government Guarantee of Rs 10,000 crores against which Tax Free Bonds would be issued by the Company. This would enable AI to refinance its long term working capital loans at a lower cost. The
proposal was sent to the Ministry of Finance for consideration wherein Ministry of Finance has shown inability to accede to the demand in view of the limited guarantee space available with Govt. of India in current financial year.

(e) The Government has already approved the Turnaround Plan (TAP) and the Financial Restructuring Plan (FRP) of Air India Ltd in terms of which the Government is infusing equity into Air India. This Equity Infusion also includes the financial support towards the repayment of Principal as well as Interest on the Government Guaranteed Loans taken for the acquisition of aircraft by Air India Ltd. As per the TAP Government will infuse Rs 18929 crores for the repayment of the Government Guaranteed Loans/Interest till FY 2020-21.